Amendments to the Claims

1-8 (canceled).

9 (currently amended). ~~A hydroxyl or~~ An isocyanate terminated, polyurethane group-containing prepolymer having an isocyanate content of from 0.5 to 35% by weight and containing pendant aliphatic hydrocarbyl groups of from 8 to 22 carbon atoms, wherein at least 50% by weight of such hydrocarbyl groups contain a conjugated group of three or four aliphatic carbon-carbon double bonds, wherein the prepolymer is a reaction product of a polyisocyanate and a functionalized oil having an average of at least two free hydroxyl groups, the functionalized oil being the reaction product of tung oil and a polyol having at least three primary hydroxyl groups per molecule and a melting temperature of 220°C or below.

10-12 (canceled).

13 (previously presented). The prepolymer of claim 9 which is isocyanate-terminated.

14 (previously presented). The prepolymer of claim 9 which is water-dispersible.

15 (previously presented). A dispersion of polyurethane particles in an aqueous phase, wherein the polyurethane particles contain pendant hydrocarbyl groups prepared in accordance with claim 18.

16-17 (canceled).

18 (currently amended). A method for making a dispersion of polyurethane particles, comprising

A. forming a water dispersible, isocyanate-terminated prepolymer having an isocyanate content of from 0.5 to 35% by weight by reacting a stoichiometric excess of a polyisocyanate with an isocyanate-reactive composition, the isocyanate-reactive composition including at least (1) an isocyanate-reactive compound having an average of at least two free hydroxyl groups per molecule and pendant hydrocarbyl or substituted

hydrocarbyl groups of which at least 50% contain three or four aliphatic carbon-carbon double bonds in conjugation, said isocyanate-reactive compound being the product of tung oil and a polyol having at least three primary hydroxyl groups per molecule and a melting temperature of 220°C or below and at least one of (2) an isocyanate-reactive compound containing an anionic or cationic group or precursor to such an anionic or cationic group or (3) an isocyanate-reactive, nonionic hydrophilic compound;

B. if component (2) is used and contains a precursor to an anionic or cationic group, neutralizing said precursor to form an anionic or cationic group,

C. dispersing the isocyanate-terminated prepolymer to form a plurality of prepolymer droplets stably dispersed in an aqueous phase; and

D. reacting the dispersed isocyanate-terminated prepolymer with a chain extender to form a plurality of polyurethane particles stably dispersed in an aqueous phase.

19 (original). An adhesive comprising the dispersion of polyurethane particles of claim 15.

20 (previously presented). An adhesive comprising a dispersion of polyurethane particles in an aqueous phase, wherein the polyurethane particles contain pendant hydrocarbyl groups having a conjugated group containing at least two aliphatic carbon-carbon double bonds and, further comprising a melamine-formaldehyde, urea-formaldehyde, benzoguanimine-formaldehyde and/or glycoluril-formaldehyde resin, or mixture of two or more thereof.

21 (previously presented). An adhesive comprising a dispersion of polyurethane particles in an aqueous phase, wherein the polyurethane particles contain pendant hydrocarbyl groups having a conjugated group containing at least two aliphatic carbon-carbon double bonds and, further comprising a polyvinyl alcohol or a phenol-formaldehyde resin, or a mixture thereof.

22 (previously presented). An adhesive comprising a dispersion of polyurethane particles in an aqueous phase, wherein the polyurethane particles contain pendant hydrocarbyl groups having a conjugated group containing at least two aliphatic carbon-carbon double bonds and, which cures to from an interpenetrating polymer network.